

RISK MANAGEMENT

Laurie Milhiser

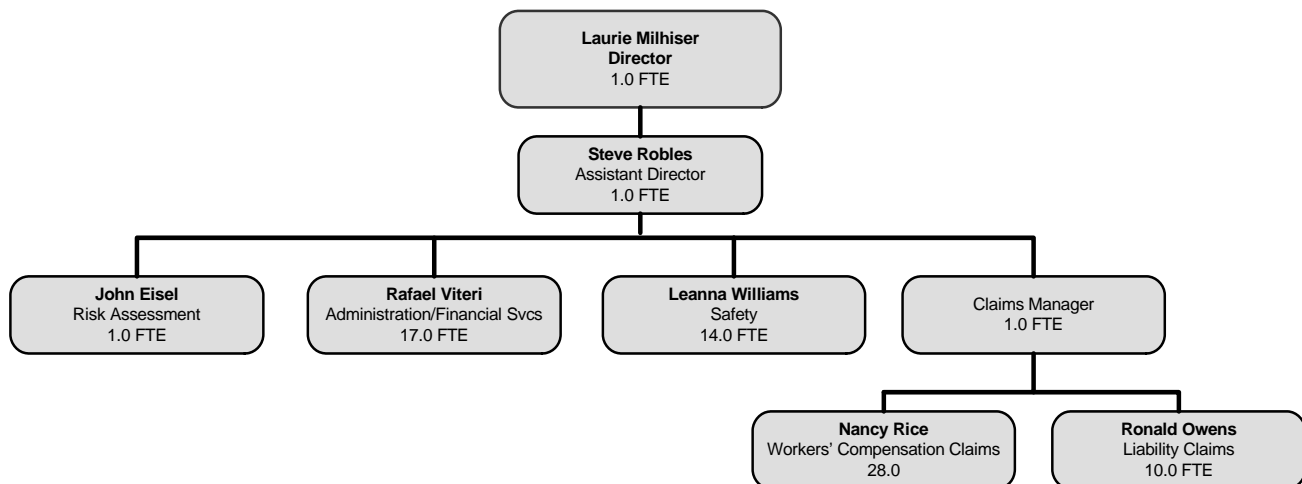
MISSION STATEMENT

Risk Management seeks to minimize the frequency and severity of financial loss to the County through a coordinated Integrated Risk Management Program which includes identification and assessment of exposures that can result in loss, effective risk reduction and loss prevention programs for identified risks, aggressive claims management, and fiscally responsible risk financing and recovery.

STRATEGIC GOALS

1. Minimize risk management costs and stabilize premiums charged to county departments.
2. Improve customer service by providing interactive communication of risk management data.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2008-09				
	Operating Exp	Revenue	Revenue Over/ (Under) Exp	Staffing
Internal Service Funds				
Operations	7,180,783	7,180,783	-	73.0
Insurance Programs	64,286,186	84,075,100	19,788,914	-
Total Internal Service Funds	71,466,969	91,255,883	19,788,914	73.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

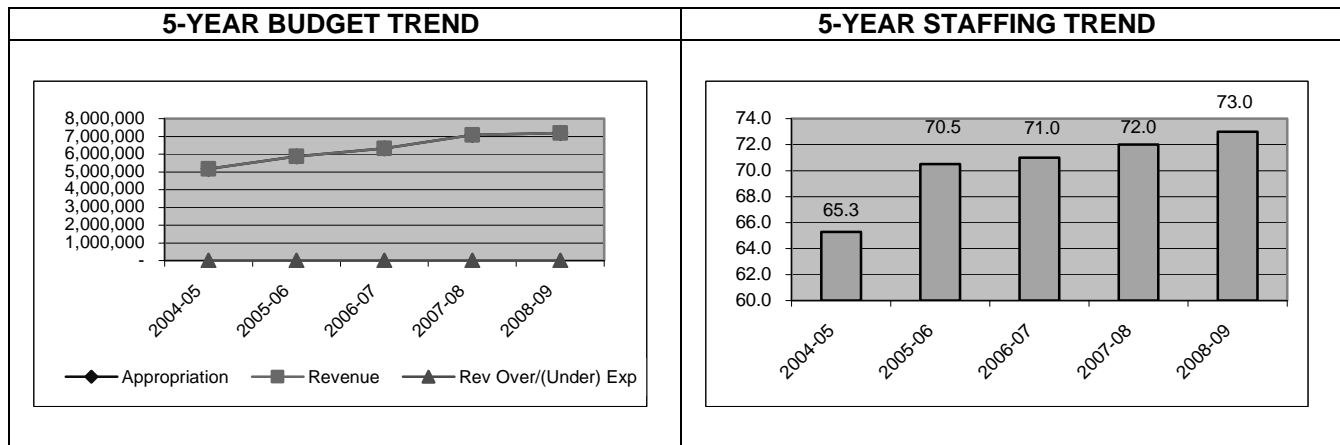


Operations

DESCRIPTION OF MAJOR SERVICES

Risk Management administers the county's self-insured workers' compensation, public liability, property conservation, safety and risk reduction programs and its insured programs. All programs are paid from self-insurance funds and financed by charging general fund and non-general fund departments, as well as Board-Governed Special Districts and County Service Areas. Each is billed for its specific coverage for the cost to pay losses under the self-insured programs and the cost of insurance for the insured programs.

BUDGET HISTORY

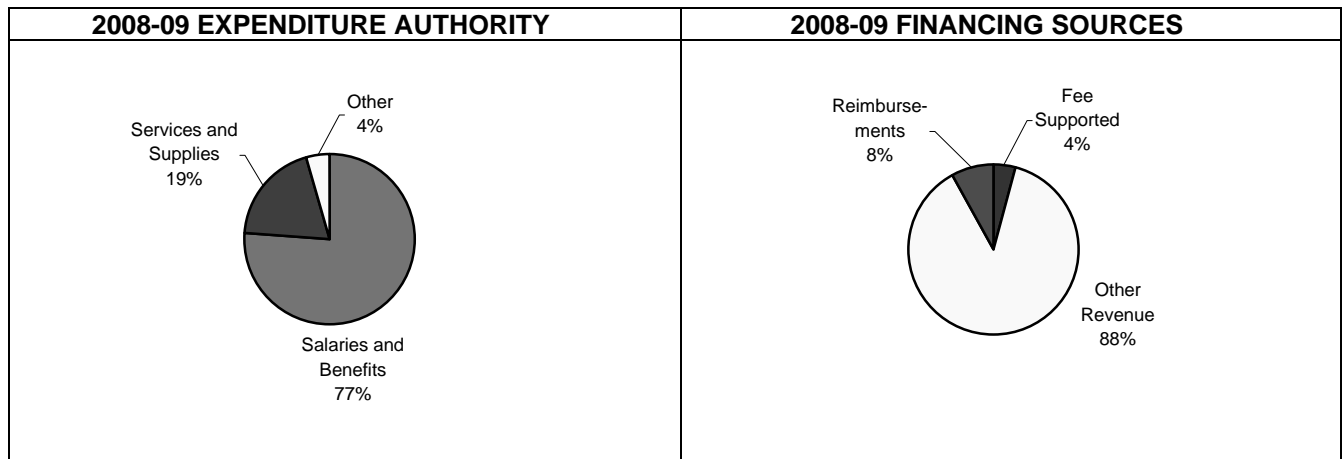


PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Actual
Appropriation	4,832,121	5,425,784	7,775,878	7,082,321	6,933,311
Departmental Revenue	5,309,472	6,220,413	6,505,807	7,082,321	6,744,640
Revenue Over/(Under) Exp	477,351	794,629	(1,270,071)	-	(188,671)
Budgeted Staffing				-	
Fixed Assets	-	-	9,800	15,000	7,632
Unrestricted Net Assets Available at Year End	401,845	1,196,474	(485,324)		(52,146)

Actual departmental revenue for 2007-08 is less than modified budget due to Emergency Medical Service (EMS) administrative fees revenue being budgeted at 10% of the total allocation and only being able to realize actual costs, resulting in the remaining revenue being returned to the appropriate EMS fund to pay claims.

ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Risk Management
FUND: Operations

BUDGET UNIT: IBP RMG
FUNCTION: General
ACTIVITY: Other General

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2007-08 Final Budget	2008-09 Final Budget	Change From 2007-08 Final Budget
Appropriation							
Salaries and Benefits	4,020,374	4,834,570	5,274,621	5,624,358	5,806,517	5,948,603	142,086
Services and Supplies	1,164,104	1,076,892	1,373,999	1,496,420	1,542,389	1,385,130	(157,259)
Central Computer	45,531	53,105	62,543	70,176	70,176	86,738	16,562
Travel	-	-	-	-	-	49,655	49,655
Transfers	161,389	28,391	32,181	71,375	33,234	93,810	60,576
Total Exp Authority	5,391,398	5,992,958	6,743,344	7,262,329	7,452,316	7,563,936	111,620
Reimbursements	(559,277)	(575,022)	(619,169)	(619,995)	(619,995)	(633,153)	(13,158)
Total Appropriation	4,832,121	5,417,936	6,124,175	6,642,334	6,832,321	6,930,783	98,462
Depreciation	-	7,848	9,221	-	-	-	-
Operating Transfers Out	-	-	1,642,482	290,977	250,000	250,000	-
Total Requirements	4,832,121	5,425,784	7,775,878	6,933,311	7,082,321	7,180,783	98,462
Departmental Revenue							
Use of Money and Prop	58,235	129,059	174,596	168,914	130,000	195,000	65,000
State, Fed or Gov't Aid	721	8,191	56,119	35,611	-	-	-
Current Services	366,041	470,720	406,439	7,709	400,000	325,000	(75,000)
Other Revenue	-	-	17,846	(19,915)	-	-	-
Total Revenue	424,997	607,970	655,000	192,319	530,000	520,000	(10,000)
Operating Transfers In	4,884,475	5,612,443	5,850,807	6,552,321	6,552,321	6,660,783	108,462
Total Financing Sources	5,309,472	6,220,413	6,505,807	6,744,640	7,082,321	7,180,783	98,462
Rev Over/(Under) Exp	477,351	794,629	(1,270,071)	(188,671)	-	-	-
				Budgeted Staffing	72.0	73.0	1.0
Fixed Assets							
Equipment	-	-	9,800	7,632	15,000	-	(15,000)
L/P Equipment	-	-	-	-	-	5,389	5,389
Total Fixed Assets	-	-	9,800	7,632	15,000	5,389	(9,611)

Salaries and benefits of \$5,948,603 fund 73.0 budgeted positions and are increasing by \$142,086 as a result of the addition of 1.0 Claims Manager position; the reclassification of an Office Specialist (clerical unit, pay range 35) to an Executive Secretary II (exempt unit, pay range 45); the downgrade of a Supervising Automated Systems Analyst to an Automated Systems Technician to correct a budgetary underfill; and the 2007-08 approved mid-year reclassification of 5.0 positions from Safety Specialist to Departmental Safety Specialist.

Services and supplies of \$1,385,130 include costs for general office expenses, information technology equipment and services. The \$157,259 decrease primarily results from a reduction in the COWCAP allocation, and the movement of travel and training related costs to a new appropriation unit.



Travel is a new appropriation unit for 2008-09. The amount budgeted of \$49,655 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental, and conference fees for this budget unit. These costs were based on departmental analysis of past travel-related expenses previously budgeted in the services and supplies appropriation unit.

Transfers of \$93,810 represent costs for Human Resources programs, Office Depot expenses, and payments made to the Auditor/Controller-Recorder for facilities charges. The increase of \$60,576 is due to office expenses and facilities charges now accounted for in this appropriation unit as opposed to the services and supplies appropriation unit.

Reimbursements of \$633,153 include payments from the insurance funds for six Safety Specialists and a Workers' Compensation Claims Adjuster based on various Board of Supervisor's actions.

Operating transfers out of \$250,000 is an estimate of stale dated warrants and a projected reimbursement of the fund's year-end cash balance to the insurance funds.

Departmental revenue of \$520,000 includes interest and administrative fee revenue from the Emergency Medical Services Program.

Operating transfers in of \$6,660,783 comes from the various insurance funds which are financed through Board of Supervisor's approved rates paid by departments, Board-Governed Special Districts, and County Service Areas. The \$108,462 increase results from the increased costs of program administration including salary and benefits increases due to staffing changes.

Fixed asset equipment of \$5,389 reflects the anticipated cost to lease a copier.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Actual	2008-09 Projected
Percentage of verified compliance with contractual insurance requirements.	52%	80%	46%	80%
Reduce average cost per workers' compensation claim.	\$12,490	<\$18,500	\$14,705	<\$18,000
Reduce average cost per general liability claim.	\$9,144	<\$10,000	\$11,076	<\$9,500
Reduce total cost of risk.	N/A	N/A	N/A	10%
Percentage increase in visits to Risk Management website. (currently 130/month)	N/A	50%	0%	50%
Percentage of departments with online access to dashboard.	N/A	N/A	N/A	100%
CSAC audit results percentage.	N/A	N/A	N/A	95%

Risk Management recently completed training departments on contractual insurance requirements, and hopes to attain the 80% compliance rate next year. Also, the stats server for the Risk Management website has not been functioning properly and the department was unable to capture accurate data for the year.